

**VIRGINIA COLLEGE BUILDING AUTHORITY  
BOARD OF COMMISSIONERS MEETING**

**April 18, 2006 10:30 a.m.**

Treasury Board Conference Room  
James Monroe Building  
101 North 14<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Richmond, Virginia

Members Present: William L. Nusbaum, Chairman  
Heidi W. Abbott  
Richard D. Brown  
John F. "Jack" Carter  
Daniel J. LaVista  
J. Braxton Powell  
Joseph S. Testa  
David A. Von Moll

Members Absent: Vinod B. Agarwal  
Molly Joseph Ward  
Elaine R. Wilde

Others Present:	Donald R. Ferguson	Attorney General's Office
	Janet Lee	Public Resources Advisory Group
	Charles P. Shimer	Troutman Sanders LLP
	Evelyn R. Whitley	Secretary, VCBA, Department of the Treasury
	Janet A. Aylor	Assistant Secretary, VCBA, Department of the Treasury
	Jeanine Black	Department of the Treasury
	Treasury Staff and others attended	

**Call to Order**

Mr. Nusbaum called the meeting to order at 10:31 a.m. Mr. Nusbaum welcomed the new State Treasurer, Mr. J. Braxton Powell, and the new board member, Mr. Jack Carter. He also congratulated Mr. Richard D. Brown, Director of Planning and Budget and Mr. David A. VonMoll, State Comptroller on their reappointments.

**Election of Vice-Chairman**

Ms. Aylor briefly discussed the election of a Vice-Chairman for the Virginia College Building Authority Board. Mr. Nusbaum solicited nominations for the position of Vice-Chairman. Mr. Testa nominated Ms. Abbott and Mr. Nusbaum asked if there were any other nominations. Hearing none, he requested a motion to elect Ms. Abbott as Vice-Chairman, effectively immediately. Mr. Testa made a motion to elect Mr. Abbott as Vice-Chairman of the Authority; Mr. Powell seconded, and all members present unanimously adopted the motion.

## **Approval of Minutes**

Mr. Nusbaum asked if there were any comments on or corrections to the minutes of the September 15, 2005, Virginia College Building Authority Board Meeting. Hearing none, he requested a motion for approval of the minutes. Mr. Brown made the motion; Dr. LaVista seconded, and all members present unanimously adopted the motion.

## **Consideration of Issuance of Virginia College Building Authority Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2006A**

Ms. Black distributed and reviewed a revised Preliminary Financing Summary for the proposed issuance of up to \$60,000,000 in Virginia College Building Authority Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2006A. Mr. Shimer from Troutman Sanders LLP, bond counsel to the Authority, reviewed the Resolution before the Board. Ms. Lee from Public Resources Advisory Group, financial advisor to the Authority, updated the board on current market conditions. A discussion ensued.

Ms. Abbott moved the approval of the Resolution (contained in Attachment A) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2006A; Mr. VonMoll seconded, and the motion was unanimously adopted by all members present.

## **Consideration of Issuance of Virginia College Building Authority Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2006B and 2006C**

Ms. Aylor reminded the Board of its approval of the variable rate guidelines on September 15, 2006. She also discussed the selection of the Remarketing Agents and Liquidity Provider. Ms. Aylor reviewed the Preliminary Financing Summary for the proposed issuance of up to \$120,000,000 in Virginia College Building Authority Variable Rate Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2006B and 2006C. Ms. Lee from Public Resources Advisory Group, financial advisor to the Authority, distributed handouts and reviewed variable rate demand bonds, daily versus weekly modes and updated the board on current market conditions. A discussion ensued. Mr. Shimer from Troutman Sanders LLP, bond counsel to the Authority, reviewed the Resolution before the Board. A further discussion ensued.

Mr. VonMoll moved the approval of the Resolution (contained in Attachment B) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Programs), Series 2006B and 2006C; Mr. Powell seconded, and the motion was unanimously adopted by all members present.

## **Motion to Approve the Virginia College Building Authority Guidelines in Connection with Pooled Bond Financing For the Benefit of Public Institutions of Higher Education**

Ms. Aylor briefly reviewed the Virginia College Building Authority Guidelines in Connection with Pooled Bond Financing (Exhibit A). A discussion ensued.

Ms. Abbott moved the approval of the Virginia College Building Authority Guidelines in Connection with Pooled Bond Financing for the Benefit of Public Institutions of Higher Education (Attachment C); Mr. Testa seconded, and the motion was unanimously adopted by all members present.

### **Consideration of Extension of Financial Advisor Contracts**

Ms. Aylor informed the board that the current, three-year term of the Financial Advisor Contracts will be ending on June 30, 2006. She also mentioned that the contracts include one-year renewal options, and the Financial Advisors' performance has been reviewed and evaluated by staff, which recommends that the Authority extend the current contracts with Public Financial Management (primary) and Public Resources Advisory Group (secondary) for the first allowable one year renewal period to June 30, 2007.

Mr. Brown moved the approval of the Extension of the Current Financial Advisor Contracts (Attachment D); Mr. VonMoll seconded, and the motion was unanimously adopted by all members present.

### **Other Business**

Ms. Black reviewed the Final Financing Summary for the Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2005A.

Ms. Aylor directed the board members to the Audit Financial Statements and accepted questions from the board. There were no questions for Ms. Aylor.

Mr. Nusbaum mentioned that his unexpired term will end on June 30, 2006 and if not reappointed he just wanted to take this opportunity to express his appreciation to the board, as well as the staff.

### **Adjournment**

Having no other business to be brought before the Board, the meeting was adjourned at 12:02 p.m.

Respectfully submitted,  
Janet A. Aylor  
Assistant Secretary

/s/ Janet A. Aylor

Exhibits may be obtained by contacting the Department of the Treasury at (804) 225-2142.

**VIRGINIA COLLEGE BUILDING AUTHORITY  
RESOLUTION AUTHORIZING THE ISSUANCE OF  
EDUCATIONAL FACILITIES REVENUE BONDS (21ST  
CENTURY COLLEGE AND EQUIPMENT PROGRAMS)  
SERIES 2006A**

**WHEREAS**, the Virginia College Building Authority (the “Authority”) is a body corporate and politic, constituting a public corporation and governmental instrumentality of the Commonwealth of Virginia (the “Commonwealth”) created by the Virginia College Building Authority Act of 1966, Chapter 3.2, Title 23, Code of Virginia of 1950, as amended (the “Act”), for the purpose of, among others, financing the construction of capital improvements at, and the acquisition of equipment for, public higher educational institutions in the Commonwealth;

**WHEREAS**, during the 1996 Session of the General Assembly of Virginia (the “General Assembly”), the General Assembly created the 21st Century College Program (the “21st Century College Program”), and during the 1998 Special Session of the General Assembly, the General Assembly created the Equipment Program (the “Equipment Program”); pursuant to these programs and the Act, the Authority is authorized, among other things, to borrow money and issue its revenue bonds to finance the cost of certain capital improvements (the “21st Century College Projects”), or scientific, technical and other equipment for teaching, research and related activities (the “Equipment Projects”), respectively, at public higher educational institutions in amounts not in excess of amounts authorized from time to time by the General Assembly;

**WHEREAS**, since the source of payment of bonds issued under the 21<sup>st</sup> Century College Program and the Equipment Program is the same, appropriations made at the discretion of the General Assembly to the Treasury Board of the Commonwealth (the “Treasury Board”), the Authority combined the financing for the Equipment Projects with the financing for the 21st Century College Projects under the Master Indenture of Trust dated as of December 1, 1996 (as previously amended and supplemented, the “Master Indenture”), between the Authority and The Bank of New York, as successor trustee (the “Trustee”);

**WHEREAS**, the Amended and Restated Payment Agreement dated as of June 1, 1999 (the “Payment Agreement”), between the Authority and the Treasury Board provides for certain payments appropriated by the General Assembly under the 21<sup>st</sup> Century College Program and the Equipment Program to be paid to the Authority to support the debt service on the bonds issued under the Master Indenture;

**WHEREAS**, in furtherance of the purposes of the Act and the Equipment Program, the Authority has determined to issue under the Master Indenture, as further supplemented by the Twelfth Supplemental Indenture of Trust expected to be dated as of May 15, 2006 (the “Twelfth Supplemental Indenture”), between the Authority and the Trustee, and sell its Educational Facilities Revenue Bonds (21st Century College and Equipment Programs) Series 2006A (the “2006A Bonds”), the proceeds of which will be used to finance certain Equipment Projects at certain public higher educational institutions (the “2006A Participating Institutions”);

**WHEREAS**, as of the date of the adoption of this Resolution, it is anticipated that the

2006A Participating Institutions and the related Equipment Projects eligible to be financed with proceeds of the 2006A Bonds are as listed in Exhibit B to the form of Twelfth Supplemental Indenture presented to this meeting;

**WHEREAS**, certain matters regarding the use of the Equipment Projects are governed by a number of facilities agreements (the “Existing Equipment Facilities Agreements”) between the Authority and each 2006A Participating Institution that has an Equipment Project;

**WHEREAS**, the 2006A Bonds will be offered for sale pursuant to a Preliminary Official Statement to be dated the date of its release (the “Preliminary Official Statement”) and will be awarded by the Authority through a competitive bidding process using a Notice of Sale to be dated the date of the Preliminary Official Statement (the “Notice of Sale”) which states the structure and terms of the sale of the proposed 2006A Bonds;

**WHEREAS**, the Authority will enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) for the purpose of providing certain information for the benefit of holders of the 2006A Bonds; and

**WHEREAS**, drafts of the Twelfth Supplemental Indenture, including a draft of the 2006A Bonds as an exhibit thereto, the Preliminary Official Statement, the Notice of Sale and the Continuing Disclosure Agreement, have been presented to this meeting and filed with the Authority’s records.

**NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY THAT:**

**1. Preliminary Official Statement; Notice of Sale.** The Preliminary Official Statement, in substantially the form presented at this meeting with such completions, omissions, additions and changes as shall be approved by the State Treasurer (the Treasurer of the Authority) or his staff in connection with the offering and sale of the 2006A Bonds, is approved, and the distribution thereof is authorized. The Authority authorizes the State Treasurer or such officer of the Authority as he may designate to deem the Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), and distribution of the Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted by such Rule. The Notice of Sale, in substantially the form presented at this meeting, with such completions, omissions, additions and changes as shall be approved by the State Treasurer or his staff in connection with the offering and sale of the 2006A Bonds, is approved, and the distribution and advertisement thereof is authorized.

**2. Competitive Bidding; Credit Ratings.** The Authority authorizes and directs its staff, its financial advisor, Public Resources Advisory Group, and its bond counsel, Troutman Sanders LLP: (a) to prepare all documentation and take all action necessary or desirable to bring the 2006A Bonds to market through a competitive electronic bidding process as soon as practicable, (b) to advertise the 2006A Bonds for sale and (c) to take such actions as shall be necessary or appropriate to obtain a rating or ratings for the 2006A Bonds from Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., Fitch Ratings and/or Moody’s Investors Service, Inc.

**3. Issuance and Sale of Series 2006A Bonds.** Pursuant to the Act, the Authority authorizes the issuance of the 2006A Bonds in accordance with the Twelfth Supplemental

Indenture and the sale thereof in accordance with the Notice of Sale, *provided, however*, that (a) the aggregate principal amount of the 2006A Bonds shall not exceed \$60,000,000; (b) the final maturity of the 2006A Bonds shall not exceed February 1, 2011; and (c) the true interest cost of the 2006A Bonds, determined in accordance with the terms of the Notice of Sale, shall not exceed 5.0% taking into account original issue discount or premium, if any.

**4. Bond Documents.** The Authority ratifies and confirms the Master Indenture, the Payment Agreement and the Existing Equipment Facilities Agreements. The form of the Twelfth Supplemental Indenture, including the form of the 2006A Bonds, is approved, with such changes, insertions, additions and deletions as the State Treasurer or such officer of the Authority as he may designate shall approve. The approval of any such changes, insertions, additions and deletions shall be evidenced conclusively by the execution and delivery of the 2006A Bonds by the Authority. The Authority authorizes and directs its officers to execute and deliver the Twelfth Supplemental Indenture and the 2006A Bonds.

**5. Delegation to State Treasurer and Others; Award of Series 2006A Bonds.** The Authority hereby delegates to the State Treasurer, or such officer of the Authority as he may designate, the power with respect to the 2006A Bonds, subject to the limitations set forth in Paragraph 3: (a) to determine the list of the 2006A Participating Institutions and the related Equipment Projects, as of the date of issuance of the 2006A Bonds, and if applicable to expand such list from time to time to allow proceeds of the 2006A Bonds to finance other projects qualifying for financing as Equipment Projects; (b) to approve the details of the 2006A Bonds, including, without limitation, the maturity schedule, the interest rates and the redemption provisions; (c) to approve the form of all documents that are appropriate to carry out the contemplated financing; (d) to deem the Preliminary Official Statement final as of its date as contemplated in Paragraph 1 and to complete the Preliminary Official Statement in final form as contemplated in Paragraph 6; (e) to postpone or cancel the sale of the 2006A Bonds, if in such person's sole discretion conditions so warrant; (f) to award the 2006A Bonds to the responsive bidder whose bid offers to purchase the 2006A Bonds at the lowest true interest cost to the Authority as determined by Public Resources Advisory Group, the Authority's financial advisor (the "Winning Bidder" and the "Winning Bid"), all in accordance with the terms of the Notice of Sale, including the receipt of bids electronically; and (g) to take all such further action as may be necessary or desirable for the issuance, sale and delivery of the 2006A Bonds.

**6. Official Statement.** The Authority authorizes and directs the State Treasurer and his staff to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement"). The Chairman or Vice Chairman of the Authority, either of whom may act, is authorized and directed to execute the Official Statement, which execution shall constitute conclusive evidence of his approval of the Official Statement and that the Authority has deemed it final within the meaning of the Rule. The Authority authorizes and directs its staff to arrange for the delivery to the Winning Bidder of a reasonable number of copies of the Official Statement, within seven business days after the sale date of the 2006A Bonds, for distribution by the Winning Bidder to each potential investor requesting a copy thereof and to each person to whom the Winning Bidder initially sells 2006A Bonds. The Authority authorizes and approves the distribution of the Official Statement by the Winning Bidder.

**7. Continuing Disclosure.** The Authority covenants to undertake ongoing disclosure and to provide "annual financial information" and "material event notices" in accordance with the Continuing Disclosure Agreement, for the benefit of holders of the 2006A Bonds to assist the Winning Bidder in complying with the Rule. The Authority authorizes and directs the Chairman, the State Treasurer or such other officer of the Authority as the State Treasurer may designate to execute

the Continuing Disclosure Agreement in substantially the form presented at this meeting, which is approved with such completions, omissions, insertions and changes as the Chairman, the State Treasurer or such designee may approve. The execution by the Chairman, the State Treasurer or such designee of the Continuing Disclosure Agreement shall constitute conclusive evidence of approval of any such completions, omissions, insertions and changes.

**8. Other Documents.** The Authority authorizes and directs its officers and staff to execute and deliver all certificates, instruments and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the 2006A Bonds. Such certificates may include a certificate (a) setting forth the expected use and investment of proceeds of the borrowing to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder, (b) making any elections that such officers deem desirable regarding any provisions requiring rebate to the United States of arbitrage profits earned on investments of proceeds of the borrowing, and (c) providing for payment of any such rebate amount.

**9. Other Actions.** The Authority approves and confirms all other actions of its officers and staff which are in conformity with the purpose or intent of this Resolution and in furtherance of (a) the issuance and sale of the 2006A Bonds and the use of the proceeds thereof and (b) the implementation of the Equipment Program.

**10. Effective Date.** This Resolution shall take effect immediately upon its adoption.

Adopted: April 18, 2006

The undersigned Assistant Secretary of the Virginia College Building Authority certifies that the foregoing is a true and correct copy of a Resolution adopted by the Board of the Authority, upon the vote as noted below, at a duly called meeting of the Board held on April 18, 2006:

<u>Commissioner</u>	<u>Present/Absent</u>	<u>Vote</u>
J. Braxton Powell	Present	Aye
David A. Von Moll	Present	Aye
Richard D. Brown	Present	Aye
Daniel J. LaVista	Present	Aye
Heidi W. Abbott	Present	Aye
Vinod B. Agarwal	Absent	
John F. "Jack" Carter II	Present	Aye
William L. Nusbaum	Present	Aye
Joseph S. Testa	Present	Aye
Molly J. Ward	Absent	
Elaine R. Wilde	Absent	

/s/ Janet A. Aylor

Assistant Secretary  
Virginia College Building Authority

[SEAL]

Date: April 18, 2006



**VIRGINIA COLLEGE BUILDING AUTHORITY  
RESOLUTION AUTHORIZING THE ISSUANCE OF VARIABLE RATE  
EDUCATIONAL FACILITIES REVENUE BONDS  
(21ST CENTURY COLLEGE AND EQUIPMENT PROGRAMS)  
SERIES 2006B AND SERIES 2006C**

**WHEREAS**, the Virginia College Building Authority (the “Authority”) is a body corporate and politic, constituting a public corporation and governmental instrumentality of the Commonwealth of Virginia (the “Commonwealth”) created by the Virginia College Building Authority Act of 1966, Chapter 3.2, Title 23, Code of Virginia of 1950, as amended (the “Act”), for the purpose of, among others, financing the construction of capital improvements at, and the acquisition of equipment for, public higher educational institutions in the Commonwealth;

**WHEREAS**, during the 1996 Session of the General Assembly of Virginia (the “General Assembly”), the General Assembly created the 21st Century College Program (the “21st Century College Program”), and during the 1998 Special Session of the General Assembly, the General Assembly created the Equipment Program (the “Equipment Program”); pursuant to these programs and the Act, the Authority is authorized, among other things, to borrow money and issue its revenue bonds to finance the cost of certain capital improvements (the “21st Century College Projects”), or scientific, technical and other equipment for teaching, research and related activities (the “Equipment Projects”), respectively, at public higher educational institutions in amounts not in excess of amounts authorized from time to time by the General Assembly;

**WHEREAS**, since the source of payment of bonds issued under the 21st Century College Program and the Equipment Program is the same, appropriations made at the discretion of the General Assembly to the Treasury Board of the Commonwealth (the “Treasury Board”), the Authority combined the financing for the Equipment Projects with the financing for the 21st Century College Projects under the Master Indenture of Trust dated as of December 1, 1996 (as previously amended and supplemented, the “Master Indenture”), between the Authority and The Bank of New York, as successor trustee (the “Trustee”);

**WHEREAS**, the Amended and Restated Payment Agreement dated as of June 1, 1999 (the “Payment Agreement”), between the Authority and the Treasury Board provides for certain payments appropriated by the General Assembly under the 21st Century College Program and the Equipment Program to be paid to the Authority to provide for debt service on the bonds issued under the Master Indenture;

**WHEREAS**, upon consultation with the Authority’s financial advisor, Public Resources Advisory Group, in 2005 the Department of the Treasury staff solicited proposals from providers of liquidity support and underwriters of variable rate debt, and the Department of the Treasury selected two liquidity banks and four investment banking firms to serve as underwriters and remarketing agents to structure and undertake variable rate debt financings for Commonwealth entities such as the Authority;

**WHEREAS**, in furtherance of the purposes of the Act and the 21<sup>st</sup> Century College

Program, the Authority has determined to issue under the Master Indenture, as further supplemented by the Thirteenth Supplemental Indenture of Trust expected to be dated as of June 15, 2006 (the “Thirteenth Supplemental Indenture”), between the Authority and the Trustee, and sell its Variable Rate Educational Facilities Revenue Bonds (21st Century College and Equipment Programs) Series 2006B (the “2006B Bonds”), and its Variable Rate Educational Facilities Revenue Bonds (21<sup>st</sup> Century College and Equipment Program) Series 2006C (the “2006C Bonds” and collectively with the 2006B Bonds the “2006BC Bonds”), the proceeds of which will be used to finance certain 21st Century College Projects at certain public higher educational institutions (the “2006BC Participating Institutions”);

**WHEREAS**, as of the date of the adoption of this Resolution, it is anticipated that the 2006BC Participating Institutions and the related 21st Century College Projects eligible to be financed with proceeds of the 2006BC Bonds are as listed in Exhibit B to the form of Thirteenth Supplemental Indenture presented to this meeting; *provided, however*, the Authority may determine (i) before the 2006BC Bonds are issued to finance one or more of such projects in another way or (ii) before or after the 2006BC Bonds are issued to finance other projects qualifying for financing under the 21<sup>st</sup> Century College Program with proceeds of the 2005A Bonds as shall be determined by the State Treasurer as provided herein;

**WHEREAS**, certain matters regarding the use of the 21st Century College Projects are governed by a number of facilities agreements (the “Existing 21st Century Facilities Agreements”), each between the Authority and a 2006BC Participating Institution that has a 21st Century College Project;

**WHEREAS**, the 2006BC Bonds will be offered pursuant to an Official Statement, to be dated the date of its release (the “Official Statement”), and the Series 2006B Bonds and the Series 2006C bonds each are anticipated to be sold pursuant to negotiated underwritings with Lehman Brothers and Wachovia Bank, National Association, respectively, two of the investment banks selected by the Department of the Treasury for variable rate Commonwealth entity financings, pursuant to terms to be established in two Bond Purchase Agreements, each to be dated the sale date (the “Bond Purchase Agreements”), between the Authority and Lehman Brothers and Wachovia Bank, National Association (collectively, the “Underwriters”), respectively;

**WHEREAS**, upon the issuance thereof, the 2006B Bonds and the 2006C Bonds will be remarketed by Lehman Brothers and Wachovia Bank, National Association, respectively, pursuant to the provisions of the Thirteenth Supplemental Indenture and two Remarketing Agreements, each anticipated to be dated as of June 15, 2006 (the “Remarketing Agreements”), between the Authority and Lehman Brothers and Wachovia Bank, National Association, respectively;

**WHEREAS**, in accordance with the provisions of the Thirteenth Supplemental Indenture for liquidity facilities and two Standby Bond Purchase Agreements, each to be dated the date of initial issuance and delivery of the 2006BC Bonds (the “Standby Bond Purchase Agreements”), among the Authority, the Trustee and Wachovia Bank, National Association, one of the liquidity banks selected by the Department of the Treasury for variable rate Commonwealth entity financings, Wachovia Bank, National Association will provide for the payment of the purchase price of 2006BC Bonds upon tender thereof in the event remarketing proceeds are insufficient therefor;

**WHEREAS**, the Authority will enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) for the purpose of providing certain information for the benefit of holders of the 2006BC Bonds; and

**WHEREAS**, drafts of the Thirteenth Supplemental Indenture, including a draft of the 2006BC Bonds as an exhibit thereto, the Preliminary Official Statement, the Bond Purchase Agreements, the Remarketing Agreements, the Standby Bond Purchase Agreements and the Continuing Disclosure Agreement, have been presented to this meeting and filed with the Authority's records.

**NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY THAT:**

**1. Issuance and Sale of 2006BC Bonds.** Pursuant to the Act, the Authority authorizes the issuance of the 2006BC Bonds in accordance with the Thirteenth Supplemental Indenture and the sale thereof in accordance with the Bond Purchase Agreements, *provided, however*, that (a) the aggregate principal amount of the 2006B Bonds and the 2006C Bonds each shall be \$60,000,000 (\$120,000,000 total); (b) the final maturity of the 2006BC Bonds shall not exceed February 1, 2027; and (c) the 2006BC Bonds shall be sold to the Underwriters at a price not less than 98% of the aggregate principal amount thereof (provided that the Underwriters shall market the 2006BC Bonds upon their initial issuance at the interest rate set forth in the following sentence at a price of par). The Authority determines that the 2006BC Bonds shall bear interest from time to time at rates as provided in the Thirteenth Supplemental Indenture, subject to changes in interest rate mode from time to time as provided in the Thirteenth Supplemental Indenture, with the initial such interest rate mode being a daily rate mode; and provided that the maximum variable rate on the 2006BC Bonds shall not exceed the Maximum Rate (as defined in the Thirteenth Supplemental Indenture).

**2. Delegation to State Treasurer.** The Authority hereby delegates to the State Treasurer or such officer of the Authority as he may designate the power with respect to 2006BC Bonds, subject to the limitations set forth in the preceding paragraph, (a) to determine that the list of the 2006BC Participating Institutions and the related 21<sup>st</sup> Century College Projects, as of the date of issuance of the 2006BC Bonds, and to expand such list from time to time to allow proceeds of the 2006BC Bonds to finance other projects qualifying for financing as 21<sup>st</sup> Century College Projects; (b) to determine and approve the details of the 2006BC Bonds, including, without limitation, their designations, maturity schedule, interest rate modes, including their initial rate, and redemption provisions, as will best effect the purposes and provisions of the Act and this Resolution; (c) to approve the form of all documents that are appropriate to carry out the contemplated financing; (d) to postpone or cancel the sale of the 2006BC Bonds or change the dated date of the 2006BC Bonds (including their name or series designation) and the documents herein approved, if in his sole discretion market and other conditions so warrant; (e) to determine the interest rate mode for the 2006BC Bonds from time to time; and (f) to take all such further action as may be necessary or desirable for the issuance, sale and delivery of the 2006BC Bonds.

**3. Approval of Remarketing Agents and Liquidity Provider.** The Authority hereby approves (i) Lehman Brothers and Wachovia Bank, National Association, as the Remarketing Agents for the 2006B Bonds and 2006C Bonds, respectively, that may be tendered for purchase and remarketing from time to time by the holders thereof, on the terms and conditions set forth in the Remarketing Agreements, and (ii) Wachovia Bank, National Association, as the Liquidity Provider to make available funds for the purchase of 2006BC Bonds that are tendered for purchase but are not remarketed, on the terms and conditions set forth in the Standby Bond Purchase Agreements.

**5. Official Statement.** The Official Statement, in substantially the form presented at this meeting with such completions, omissions, additions and changes as shall be approved by the State Treasurer (the Treasurer of the Authority) or his staff in connection with the offering and sale of

the 2006BC Bonds is approved. The Chairman or Vice-Chairman of the Authority, either of whom may act, is authorized and directed to execute the Official Statement, which execution shall constitute conclusive evidence of his or her approval of the Official Statement. The Authority authorizes the distribution and use of the Official Statement by the Underwriters and by the Remarketing Agents.

**6. Bond and Related Documents.** The Authority ratifies and confirms the Master Indenture, the Payment Agreement and the Existing 21st Century Facilities Agreements. The forms of the Thirteenth Supplemental Indenture, including the form of the 2006BC Bonds, the Bond Purchase Agreements, the Remarketing Agreements and the Standby Bond Purchase Agreements as presented to this meeting are approved, with such changes, insertions, additions and deletions as shall reflect the specific terms determined in accordance with Paragraphs 1 and 2 above and otherwise be consistent with this Resolution as the State Treasurer or such officer of the Authority as he may designate shall approve. The approval of any such changes, insertions, additions and deletions shall be evidenced conclusively by the execution and delivery of the 2006BC Bonds by the Authority. The Authority authorizes and directs its officers to execute and deliver the Thirteenth Supplemental Indenture, the Bond Purchase Agreements, the Remarketing Agreements and the Standby Bond Purchase Agreements.

**7. Preparation and Delivery of 2006 BC Bonds.** The Chairman or the Vice-Chairman of the Authority, either of whom may act, and the Secretary or Assistant Secretary of the Authority, either of whom may act, are authorized and directed (a) to have the 2006BC Bonds prepared and executed pursuant to the Master Indenture and the Thirteenth Supplemental Indenture, (b) to deliver them to the Trustee for authentication, and (c) to cause the 2006BC Bonds so executed and authenticated to be delivered to, or for the account of, the Underwriters upon payment of the purchase price as provided in the Bond Purchase Agreements.

**8. Continuing Disclosure.** The Authority covenants to undertake ongoing disclosure and to provide “annual financial information” and “material event notices” in accordance with the Continuing Disclosure Agreement, for the benefit of holders of the 2006BC Bonds to assist the Underwriters in complying with the Rule. The Authority authorizes and directs the Chairman, the State Treasurer or such other officer of the Authority as the State Treasurer may designate to execute the Continuing Disclosure Agreement in substantially the form presented at this meeting, which is approved with such completions, omissions, insertions and changes as the Chairman, the State Treasurer or such designee may approve. The execution by the Chairman, the State Treasurer or such designee of the Continuing Disclosure Agreement shall constitute conclusive evidence of approval of any such completions, omissions, insertions and changes.

**9. Other Documents.** The Authority authorizes and directs its officers and staff to execute and deliver all certificates, instruments and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the 2006BC Bonds. Such certificates may include a certificate (a) setting forth the expected use and investment of proceeds of the borrowing to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder, (b) making any elections that such officers deem desirable regarding any provisions requiring rebate to the United States of arbitrage profits earned on investments of proceeds of the borrowing, and (c) providing for payment of any such rebate amount.

**10. Other Actions.** The Authority approves and confirms all other actions of its officers and staff which are in conformity with the purpose or intent of this Resolution and in furtherance

of (a) the issuance and sale of the 2006BC Bonds and the use of the proceeds thereof and (b) the implementation of the 21st Century College Program.

**11. Effective Date.** This Resolution shall take effect immediately upon its adoption.

**Adopted:** April 18, 2006

The undersigned Assistant Secretary of the Virginia College Building Authority certifies that the foregoing is a true and correct copy of a Resolution adopted by the Board of the Authority, upon the vote as noted below, at a duly called meeting of the Board held on April 18, 2006:

<u>Commissioner</u>	<u>Present/Absent</u>	<u>Vote</u>
J. Braxton Powell	Present	Aye
David A. Von Moll	Present	Aye
Richard D. Brown	Present	Aye
Daniel J. LaVista	Present	Aye
Heidi W. Abbott	Present	Aye
Vinod B. Agarwal	Absent	
John F. "Jack" Carter II	Present	Aye
William L. Nusbaum	Present	Aye
Joseph S. Testa	Present	Aye
Molly J. Ward	Absent	
Elaine R. Wilde	Absent	

/s/ Janet A. Aylor  
Assistant Secretary, Virginia College Building Authority

[SEAL]

Date: April 18, 2006

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**Motion to Approve the Virginia College Building Authority Guidelines in Connection with  
pooled bond financings for the benefit of Public Institutions of Higher Education**

I move to approve the proposed guidelines in connection with Virginia College Building Authority pooled bond financings for the benefit of public institutions of higher education.

**MOTION TO EXTEND THE CURRENT CONTRACTS FOR FINANCIAL ADVISOR**

I move to direct staff of the Virginia College Building Authority to extend the current Financial Advisor contracts with Public Financial Management (primary) and Public Resources Advisory Group (secondary) for one year to June 30, 2007.